

**TREMONTON CITY CORPORATION
REDEVELOPMENT AGENCY
May 17, 2016**

Board Members Present:

Roger Fridal, Chairman
Jeff Reese, Board Member
Bret Rohde, Board Member
Lyle Vance, Board Member
Shawn Warnke, Executive Director
Darlene Hess, Executive Secretary

Chairman Fridal called the Tremonton Redevelopment Agency Meeting to order at 7:58 p.m. The meeting was held in the City Council Meeting Room at 102 South Tremont Street, Tremonton, Utah. Those in attendance were Chairman Fridal, Board Members Reese, Rohde, and Vance, Executive Director Warnke, and Executive Secretary Hess. Board Members Diana Doutre and Lyle Holmgren were excused from the meeting.

1. Approval of agenda:

Motion by Board Member Rohde to approve the May 17, 2016 agenda.
Motion seconded by Board Member Vance. Vote: Board Member Reese - aye, Board Member Rohde - aye, and Board Member Vance - aye. Motion approved.

2. Approval of minutes – May 3, 2016

Chairman Fridal asked the Board if they had any corrections to the minutes of May 3, 2016. Being none, he called for a motion to approve the minutes.

Motion by Board Member Vance to approve the minutes of May 3, 2016.
Second by Board Member Reese. Vote: Board Member Reese – aye, Board Member Rohde – aye, Board Member Vance – aye. Motion approved.

3. New Business:

- a. Discussion and consideration of adopting Resolution No. RDA 16-05 approving the dissolution of the Freeway Interchange Project Area

Executive Director Warnke told the Board that this is a two-step process which was established by Utah Code. As you know, the City Council adopted an ordinance dissolving the RDA Freeway Interchange Project Area as required by Utah Code. That same code requires the RDA to adopt a resolution whereby notifying the rightful parties that the RDA plans to dissolve the Freeway Interchange Project Area.

Motion by Board Member Reese to adopt Resolution No. RDA 16-05 approving the dissolving of the Freeway Interchange Project Area.
Second by Board Member Vance. Roll Call Vote: Board Member Rohde

– aye, Board Member Reese – aye, Board Member Vance – aye. Motion approved.

- b. Discussion and consideration of adopting Resolution No. RDA 16-06 authorizing the Tremonton City Redevelopment Agency to initiate a feasibility study and preparation of a Community Reinvestment Project Area Plan and Budget

Executive Director Wanke informed the RDA Board this resolution initially authorizes this area as an economic development area. It allows the RDA to move forward with an evaluation of the area to make a community reinvestment area of the project area in the event there is development on the property. This is the first step in the process.

Motion by Board Member Rohde to adopt Resolution No. RDA 16-06 as stated. Second by Board Member Reese. Roll call vote: Board Member Rohde – aye, Board Member Reese – aye, Board Member Vance – aye. Motion approved.

- c. Discussion and consideration of adopting Resolution No. RDA 16-07 approving a consulting services agreement between Tremonton City Redevelopment Agency and Zions First National Bank, DBA as Zions Bank Public Finance to perform consulting services to prepare a Community Reinvestment Project Area Plan, Budget, and related documents and services

Executive Director Wanke told the Board as he is working with Zions Bank Public Finance who will provide the consulting services, they suggested one additional item to what was proposed and he thought it would be good to include it in the minutes. They provide the deliverables by June 10th; however, they can work beyond June 10th to provide additional services on an hourly rate. The RDA Board agreed with this added information.

Motion by Board Member Reese to adopt Resolution No. RDA 16-07. Second by Board Member Rohde. Roll call vote: Board Member Rohde – aye, Chairman Fridal – aye, Board Member Reese – aye, Board Member Vance – abstain. Motion approved.

- d. 2015 Tax Increment Reports for the following project areas:

- 1) Freeway Interchange Project Area

Mr. Warnke told the RDA Board that as the Executive Director of the Board, once a year he prepares a report as required by law. The law changed this year – effective as of May 10th with compliance duly noted to begin in November - which requires a more robust reporting which he provides to all of the taxing entities. He told the Board there are three active project areas this

year and we just dropped down to two. This area is essentially the area that includes La-Z-Boy, Bear River Business Plaza, Intertape, Tremonton City Senior Center and RDA, Travis and Mark Scott Family, Rail Spur, Losee Storage, Munn's Manufacturing and PacifiCorp.

The RDA for this Freeway Interchange Project Area had three obligations associated with it. 1) to reimburse Tremonton City for sales tax pledges for fiber optic infrastructure in the amount of approximately \$75,605; 2) to reimburse Malt-O-Meal for wastewater treatment capacity; and 3) to repay a loan to Tremonton City's Utility Fund for the expansion of water and sewer lines necessary to service the industrial park.

This project area actually has a haircut provision whereby over time the RDA got less of the tax increment and a portion of the taxable value moved over to the other taxing entities. In the years 21 through 25 (2011 – 2015), the RDA was only getting 60% of the tax increment. Going forward because we have met the 25 years – the life of the agreement - the 60% will be recognized by the other taxing entities. This completes this project.

2) West Liberty Foods EDA

Executive Director Wanke told the Board that there are two years left in this area. Board Member Reese commented that it seems like this has gone fast. The taxing entities will all get a boost in taxable value so it will be good.

Director Warnke told the Board that there are a couple of obligations that are associated with this project. 20% of the tax increment generated from the proposed project area is taken off of the top and dedicated to the creation and preservation of affordable housing. The RDA targets one hundred (100) percent of the housing investment within the incorporated limits of Tremonton City but outside of the West Liberty Food Project Area as there is no housing included within the project area. The RDA has quite a bit of money to continue this housing projects into the future. The other is to reimburse the developer for what they constructed. You can see The RDA has reimbursed West Liberty Foods around one million dollars and Millard Refrigeration \$96,485 this year for taxes they have paid.

Executive Director Warnke told the Board that a portion of the money received from the 20% to be invested in housing have been beneficial. It has been used for slurry seal of parking lots of moderate income housing complexes, completion of the 2013 Moderate Income Housing Plan, replacement of Orangeburg sewer lateral from the property line to the home of moderate income

families, Phase 1 of the Northern Utah Neighborhood Improvement Program which helped income qualified homeowners make improvements to the exterior of their homes, and Phase 2 which helped income qualified homeowners make improvements to the exterior of their homes.

3) Tremont Center Community Development Project Area

Executive Director Wanke told the Board this area is just starting to get active. The RDA has committed around 2.3 million dollars in increment to the Developer of Tremont Center. Included in this reimbursement are infrastructure and the canal.

Chairman Fridal asked if it cost \$1,000,000 to bury the canal. Director Wanke responded with it is his understanding that to do the complete canal the projection was \$1,000,000. They just did a portion of the canal at this time.

Director Wanke told the Board the Agency anticipates receiving whatever value is associated with buildings constructed in January 2016. This should include ShopKo and a portion of Result's Gym. The use of the tax increment is for the development of the Tremont Center and to revitalize Main Street. Director Wanke told the Board that the catalyst is any new growth that occurs not only in Tremont Center but the whole project area is included. If something occurs across the street from Tremont Center it would be included. The base year is 2013, and property tax generated above the base year is tax increment which the Agency receives.

Board Member Rohde commented if someone moves into the old King's building, that would be included. Director Wanke told the Board that if the new property owner investment increases the taxable value, the it would create tax increment and would be included. Someone is already paying taxes on the King's Building so that would not be included.

3. Adjournment

Chairman Fridal called for a motion to adjourn.

Motion by Board Member Rohde to adjourn the May 17, 2016 RDA Meeting. Second by Board Member Reese. Vote: Board Member Reese – aye, Board Member Rohde – aye, Board Member Vance – aye. Motion approved. Meeting adjourned at 8:09 p.m.

The undersigned duly acting and appointed Executive Secretary for Tremont City Corporation Redevelopment Agency hereby certifies that the foregoing is a true and correct copy of the minutes for the RDA Meeting held on the above referenced date.

Dated this _____ day of _____, 2016.

Darlene Hess, Executive Secretary